

*City of Charleston*

# Short Term Rental Task Force

June 13, 2017

# Agenda

- Public Input from Listening Sessions
  - Discussion and questions among Task Force members
- Lessons from other cities
- Anchoring our work in Charleston's unique context
  - a) Regulatory: Geographic
  - b) Regulatory: Eligibility of Property
  - c) Regulatory: Frequency and duration of rentals
  - d) Policy: Process and Enforcement
- Next Steps

# Summary of Process

**Formation of task force**



- 18 members, first meeting was November 2016

**Collection of public opinion**



- ~200 attendees across 4 neighborhood meetings

**Development of  
recommendations**

- Process runs through summer

**Submission to planning  
commission**

- Estimated date of October 2017

**Submission to City Council**

- Estimated date of November or December 2017

# Summary of Public Input: Attendees

Meeting #	Meeting Date	Area	Attendance*
1	March 16 <sup>th</sup> , 2017	West Ashley	19
2	March 25 <sup>th</sup> , 2017	Peninsula	42
3	April 20 <sup>th</sup> , 2017	James Island and Johns Island	23
4	May 18 <sup>th</sup> 2017	Peninsula	85**

\*Based off of sign in sheets at meeting

\*\*Couples were not required to sign in separately. Estimated attendance is between 100-110

### Quality of Life

Presence of guests prevents neighbourhood cohesion



Provides a unique Charleston community experience



STR provides better upkeep of property and decreases code appeal



Short term guests can negatively affect quality of life



Hosts should be responsible for ensuring quality of life is not negatively impacted



### Public Comments from previous Listening Sessions

Here's what we heard from the community

Here's what we heard from the community

### Quality of Life

With approval of neighbors, operation of STR can be successful

Different types of tourists may prefer this type of accommodation, benefiting the neighborhood



Short term rentals are appropriate when done with accountability



Operating a Short Term Rental can help to maintain a historic property



Short term rentals can be appropriate in the right neighborhood or context

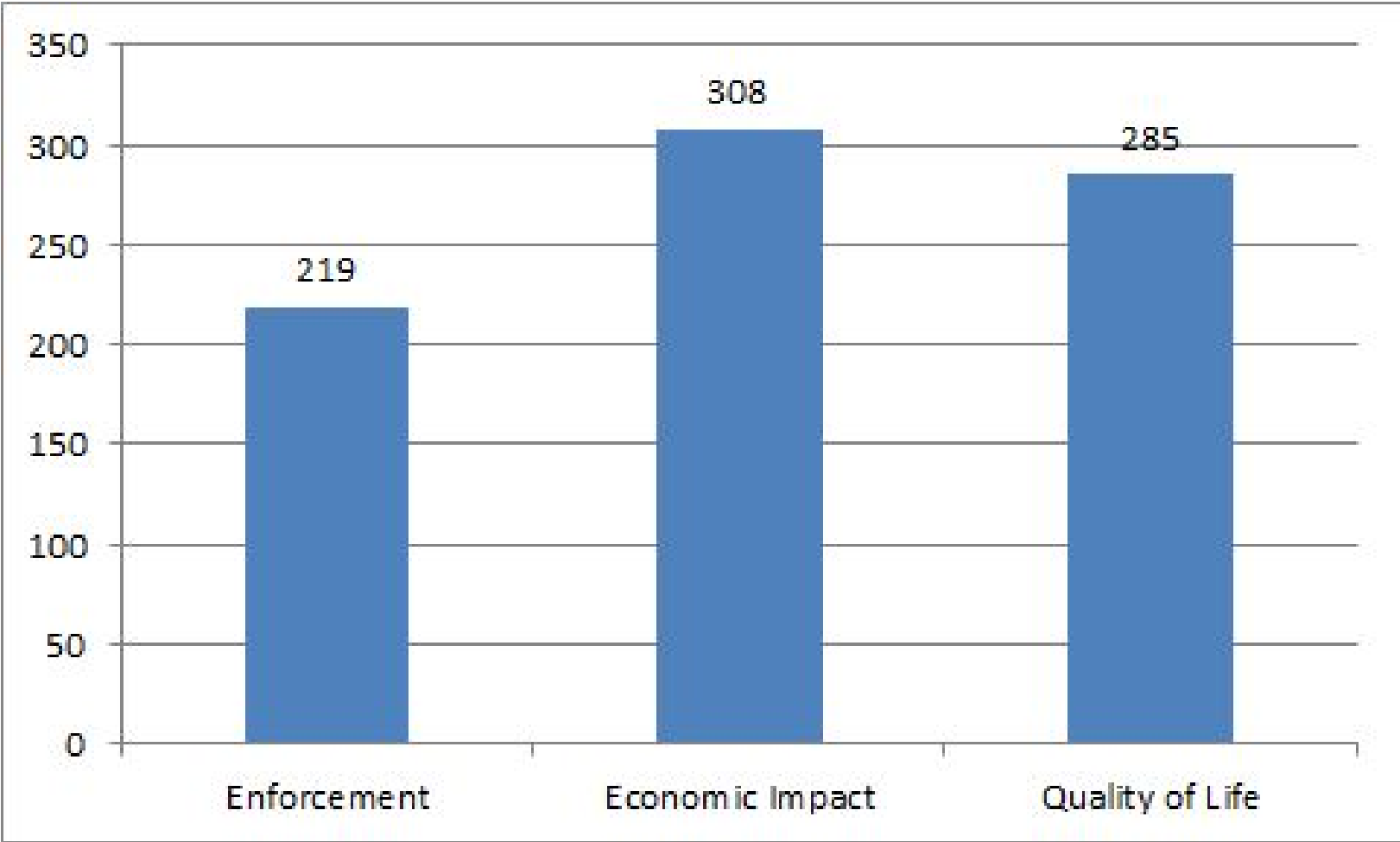


Increase in visitors can affect parking



- Noise, trespassing not good neighbors
- Hosts should be responsible for ensuring quality of life is not negatively impacted
- Short term rentals can be appropriate when done with accountability
- Short term rentals can help to maintain a historic property
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- Short term rentals can be appropriate in the right neighborhood or context
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# Summary of Public Input: 812 Total “Seconds”



# Summary of Public Input: Enforcement

*Enforcement received 27% of total “seconds.”*

**Key Observation:** The public agrees that the current level of enforcement is insufficient to deal with the issue of short term rentals, but there was varying input on how to handle this. Some participants thought that it was best to keep the existing regulations and strengthen current enforcement. Others suggested making changes to the regulations to make enforcement easier.

Comment	Total	Meeting 1 (West Ashley)	Meeting 2 (Peninsula)	Meeting 3 (James & Johns Island)	Meeting 4 (Peninsula)	% of Enforcemen t Seconds
Current enforcement is inadequate	65	2	9	1	53	29.7%
Limit to one rental per dwelling unit - Owner or long term renter must live in unit	30	1	3	2	24	13.5%
Study best practices from other cities	26	1	10	3	12	11.9%
Shut them all down	25	1	2	0	22	11.4%
Require off-street parking	19	1	5	1	12	8.7%

# Summary of Public Input: Economic Impact

*Economic impact received 38% of total “seconds.”*

**Key Observation:** Comments from this category were largely positive – many attendees felt that the economic impact from short term rentals brings positive impact to property owners, local business, and the city itself through additional tax revenue. On the other hand, the effect of STRs on housing affordability was also a prominent topic.

Comment	Total	Meeting 1 (West Ashley)	Meeting 2 (Peninsula)	Meeting 3 (James & Johns Island)	Meeting 4 (Peninsula)	% of Economic Impact Seconds
Not allowing short term rentals infringes on property rights	65	0	25	12	28	21%
Tax revenue from regulated short term rentals can be beneficial to the city	47	4	22	4	17	15%
Short term rentals provide an avenue for supplemental income	32	4	12	9	7	10%
Legalizing short term rentals drives up rents and property values pricing out some residents	31	0	11	0	20	10%
Legalizing short term rentals for primary residences makes housing more affordable and attainable	26	2	21	2	1	8%



# Summary of Public Input: Quality of Life

*Quality of Life received 35% of total “seconds.”*

**Key Observation:** Accountability was a major theme in the quality of life comment category. Some attendees felt that the existing noise, parking, and livability ordinances should be more strongly enforced. Others believed that it is the host’s responsibility to ensure that the neighborhood quality of life is not negatively impacted. Many attendees felt that the quality of the neighborhood is improved through investments into the property from short term rental income and that STRs can help disperse tourists to their neighborhoods, benefitting neighborhood businesses.

Comment	Total	Meeting 1 (West Ashley)	Meeting 2 (Peninsula)	Meeting 3 (James & Johns Island)	Meeting 4 (Peninsula)	% of Quality of Life Seconds
Short term rentals are appropriate when done with accountability	69	1	28	2	38	24.2%
Turnover of guests prevents neighborhood cohesion	51	1	6	2	42	17.9%
Noise from guests can negatively affect quality of life	31	0	11	1	19	10.9%
STR provides better upkeep of property and increases curb appeal	27	1	20	6	0	9.5%
Different types of tourist may prefer this type of accommodation, benefiting the neighborhood	22	0	18	1	3	7.7%

Issue	Galveston	Asheville	Austin	Denver	Santa Fe	Savannah*	San Francisco	New** Orleans
Designated Agent	X		X			X		X
Owner Occupied		X	X	X			X	X
Owner-Liability	X	X		X			X	X (property liability)
Rental Registration	X	X			X	X	X	X
Business License			X	X		X	X	X
Permit Cap			X		X			
Occupancy Limits	X		X	X	X		X	X
Standards of Conduct	X		X			X		
Penalty Provisions	X		X	X	X	X	X	X
District Limitations		X	X		X		X	X
Parking Restrictions					X	X		X
Inspections		X	X	X	X			
Taxes	X	X	X	X	X		X	X

# Anchoring Our Work:

## *Regulatory & Policy Issues in Charleston*

- **Geographic**
- **Timing**
- **Eligibility of property**
- **Process & Enforcement**

# Regulatory Issue: Geographic Considerations

**Current STR Policy:** Confined to STR overlay zone as shown in map

**Current BnB Policy:** Confined to south of the Septima P. Clark Parkway

Examples from other cities:

- Beaufort, SC: STRs are prohibited in the Traditional Beaufort Residential District
- New Orleans, LA: STRs are prohibited in the French Quarter with the exception of the VCE zone around Bourbon Street.

# SHORT TERM RENTAL, ST OVERLAY

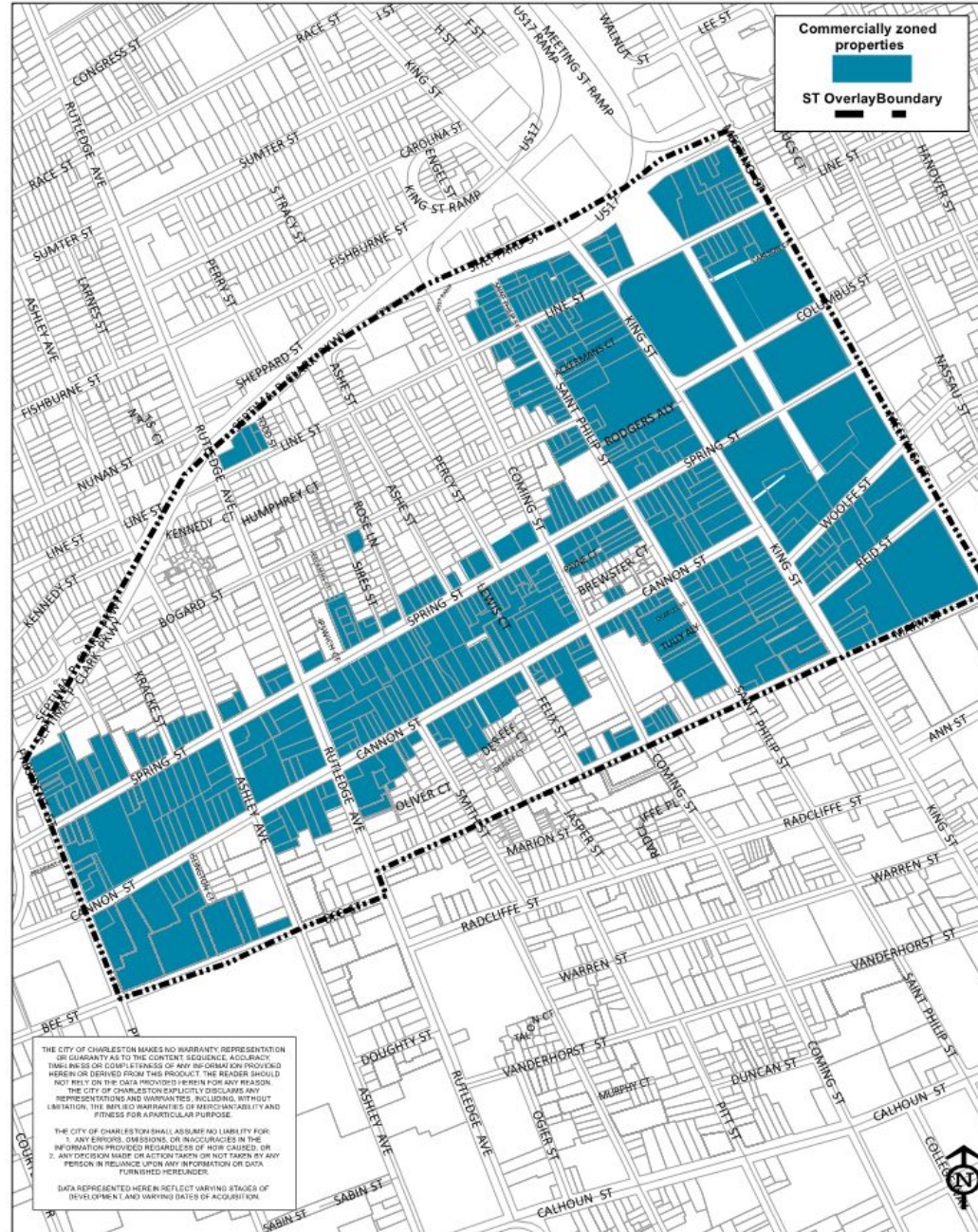
(only commercially zoned properties qualify)



CITY OF CHARLESTON

DEPARTMENT OF PLANNING, PRESERVATION  
& SUSTAINABILITY

Print Date: 03/3/2017





## Bed & Breakfast Outside of the Old & Historic District

Bed & Breakfast uses are permitted in the area shown on this map pursuant to Section 54-208.1 of City of Charleston Zoning Ordinance



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Bed & Breakfast  
Outside of Old & Historic District



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Old & Historic District



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# Regulatory Issue: Frequency and Duration

**Current STR Policy:** No limit on licensed properties; 30 day minimum for non-STRs.

**Current BnB Policy:** No limit on licensed properties in BnB portion of property.

Examples from other cities:

- Santa Fe: Eliminated the restriction of 17 rentals per year but kept limitation of one rental every 7 days.
- Seattle: Owner and Non-owner occupied STRs that rent for 90 total nights or fewer in 12 months are allowed with business license and applicable taxes. Over 90 nights only allowed if unit is primary residence, and they get a separate, city issued regulatory license.

# Regulatory Issue: Eligibility of Property

**Current STR Policy:** One parking spot per STR unit; must be located in commercial or mixed-use zone; maximum of ten units.

**Current BnB Policy:** Parking requirement based on location of property and age of building; owner-occupied as primary residence; max number of units based on location and age of building.

Examples from other cities:

- Savannah, GA: STRs are permitted in mixed-use zoning districts. In some residential districts, approval of the Zoning Board of Appeals is required.
- Chattanooga, TN: STRs are permitted in only R3 or R4 zones (multi-family and office residential)



# Policy Issue: Process & Enforcement

**Current STR Policy:** Required to get a business license and zoning approval. Enforcement is problematic.

**Current BnB Policy:** Required to meet basic requirements and get zoning approval and business license. Enforcement is more straightforward.

Examples from other cities:

- Galveston, TX: STRs are required to register and pay hotel/accommodations tax
- Denver, CO: Require city permit or registration number in STR advertisement
- Austin, TX: Caps on percentage or number of STRs in an area
- Santa Fe, NM: Applicants are required to list advertising platforms in license/permit application
- San Francisco, CA: Restrict STRs to owner occupied units
- New Orleans, LA: Limits on number of bedrooms and guests allowed in a STR unit

Diving in:

*Sub-committees for the next meeting*

- **Geographic**
- **Timing**
- **Eligibility of property**
- **Process & Enforcement**

# Meeting Schedule

Meeting 5: **Tuesday, July 11th, 2017**

Meeting 6: **Tuesday, August 22nd, 2017**

Meeting 7: **Friday, September 22nd, 2017**

*All meetings will begin at 3:00 PM in the Gaillard Center Public Meeting Room at 2 George*